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20 August 1954

Chief, Economic Research

25X1A ATTENTION:

Chief, D/I

Material for briefing of General Clark.

1. Following are several intelligence problems which faced D/I in the past year together with a brief statement of our accomplishments toward solving these problems:

a. Problem: Soviet Capabilities and Probable Programs in the Field of Guided Missiles.

Accomplishment: D/I was Action Division for a portion of this ONE project and was engaged in the preparation and coordination of the contribution on the economic aspects of Soviet Guided missile production. This involved cooperation of, and coordination with, AFOIN, ONI, G-2, State, and ATIC through an ad-hoc committee chaired by an ORR/D/I representative.

b. Problem: Soviet Investment Policy in the Post-War Years.

Accomplishment: The first of an intended series of projects on this subject was completed. It appears, from this study, that a proper examination of Soviet investment trends in selected industries may give us an ex ante indication of long-term Soviet Intentions. This study is continuing and now includes both gross investment and capital replacement requirements for selected industries. This work has also proved helpful in analyzing the cost of the "new course" in terms of shifts of growth rates between capital goods and consumer hard goods industries.

c. Problem: The Size, Composition, and Location of the Ammunition Stockpile of the Soviet Bloc.

Accomplishment: D/I has made the first intensive effort in the intelligence community to produce a carefully evaluated estimate of the probable size, composition, and location of ammunition stockpiles in the Soviet Bloc. The study, based on end-of-WWII Soviet statements of stockpiles, estimated post-war production rates and depletion factors for training purposes and the Korean War has provided a well documented, methodologically sound, base for continuing studies in this area.

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d. Problem: The Military Budget of the USSR.

Accomplishment: D/I has pioneered the preparation of studies on the economic capabilities for the production of all military end items of the USSR in aggregate. It has provided the base for continuing research into the size of, and changes in, the military budget of the USSR. This has involved an exchange of information with and mutual evaluation of parallel studies [REDACTED]

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